

Realty Trust Review

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INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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INVESTMENT OUTLOOK: WEAKNESS IN INDUSTRIAL STOCKS FLASHES CAUTION LIGHT

This year's dramatic strength in real estate stocks against a backdrop of general market weakness continued in September. Realty trusts rose 2.9% while the Dow-Jones Industrials fell 1.6% (see Group Averages, p. 3). For the year realty shares have now outperformed the Dow by nearly 29%.

But the NYSE Composite Index this week dropped through a support area that has held firm for over 18 months now; we interpret this to mean that weakness in the blue-chip Dow Industrials is now spreading throughout the list. In this environment prudence requires that you restrain your exuberance for stocks, build or hold cash reserves, and concentrate upon only the hardest issues. Our Sept. 9 Relative Appeal Rankings are a good guide to new investments.

However a great reservoir of speculative money is in or looking at some of the very depressed low-priced speculative issues, like those discussed Aug. 12. The theory is that many have low-rate bank loans already and thus their recoveries wouldn't be sidetracked by any rise in short-term interest rates (which produced a $7\frac{1}{2}\%$ prime rate this week). We buy the theory selectively, with emphasis upon the individual stocks and not the market.

Meantime some issues are standouts: First Fidelity Inv. up 28% on possibility of a tender at $\$6\frac{1}{2}$; North Amer. Mtg. and BT Mtg. up 35% and 50% respectively on a favorable newspaper article (see Sept. 9 RTR); Northwestern Financial up 26%; American Realty, up 33%; Heitman Mtg., up 20%; and Cont. Illinois Realty, up $23\frac{1}{2}\%$.

KEEPING CURRENT WITH AUDIT'S REAL ESTATE INVESTMENT SERVICES

REIT EVALUATIONS publishes penetrating two-page reviews of these 10 trusts:

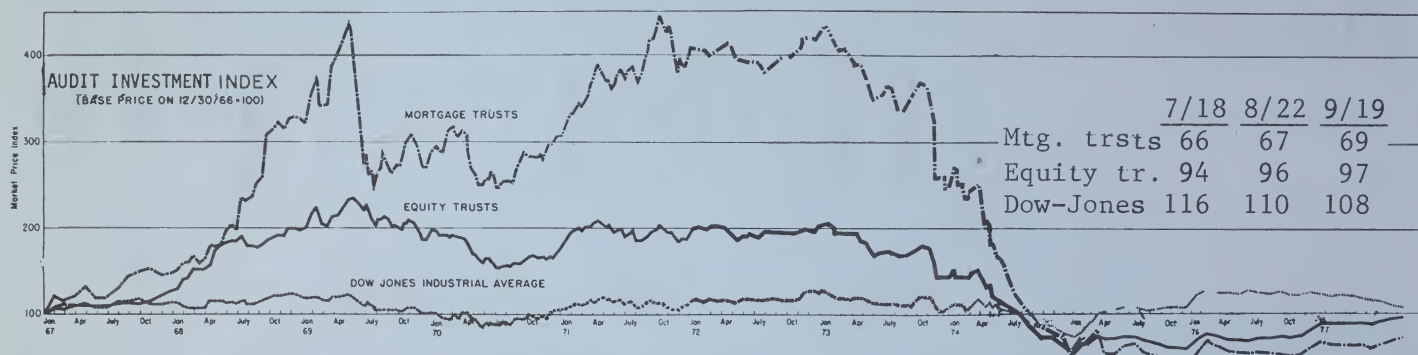
Barnett Winston Inv. Trust	First Virginia Mtg.	ICM Realty	Henry S. Miller Rt.
Diversified Mtg. Inv.	Hospital Mtg. Group	Indiana M&R Inv.	
First Newport Rlty. Inv.	Hotel Investors	JMB Realty	

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BANKRUPTCIES AND RESTRUCTURINGS: FIDELITY ACCORD WITH CREDITORS; COLWELL PROPOSAL NEAR

Fidelity Mortgage Inv. has filed a plan to settle its debts with creditors in Federal court. The plan generally follows a preliminary agreement announced early this year. The proposal calls for creditors to get \$107.75 million plus 3,383,434 shares in settlement of \$183 million debt. Holders of \$2.9 million 7-3/4% convertible subordinated debentures would receive 10% of their claims, including interest accrued to Jan. 30, 1975, from an initial payment upon approval of the plan. The holder of a \$15.5 million senior subordinated note would get 15% of its claim, with 5% payable on initial settlement, 5% through 1983, and the remaining 5% in 10 annual installments beginning Dec. 31, 1984. Banks holding about \$164½ million debt would receive about 64% of that amount, or about \$105 million, payable in installments through 1983.

Colwell Mortgage Trust is expected to seek bondholder and shareholder approval of a pre-planned Chapter XI filing early in October. Under the proposal, the trust would seek binding acceptances of an agreed-upon arrangement with creditors before filing with a Federal court; if approved, both plan and acceptances would be filed with the court. Final details haven't been fixed but the preliminary filing with the SEC indicates the trust's plan would offer holders of 8.2% senior subordinated notes about 39% of par in cash plus 74 shares, and holders of 6½% subordinated convertible debentures 33% of par in cash plus 74 shares. If that formula were approved, about 1,988,000 new shares could be issued on the current 2,030,356 shares, and net worth would rise to about \$15.8 million, or about \$3.93/sh. on the potential higher number of shares.

Citizens Mortgage Inv. Trust has delayed its proposed restructuring until 1978 while it obtains independent appraisal of its assets. An asset exchange with banks and subsequent tender offer at 40% of par for its 8.5% senior subordinated notes is planned. Holders of about 15% of principal of these notes have filed notice of acceleration of principal, which are in default of interest payments; notices by 25% of holders would be required to make any acceleration effective.

First Mortgage Investors has completed a \$244 million credit agreement with 26 of 27 lending banks; effectiveness of the agreement was one uncertainty affecting its current offer to holders of matured 8¼% senior notes (see RTR, Sept. 9).

NONEARNING INVESTMENTS' FALL 4% IN MONTH TO BRING TOTAL 15% BELOW PEAK

Our monthly tally of nonearning investments fell 4% to \$8.55 billion this month, well below the peak \$10.16 billion of June 1976. The figures:

----Invested assets----				% Non & low earning	Month % change
Group	Number	Non/Low earn.	Total		
Short-term mortgage...	58	\$6,102M	\$ 8,097M	75%	-5.4%
Inter. & long-term....	27	1,530	3,598	43	+0.5
Equity & combination..	46	922	3,348	28	-3.0
TOTALS/AVERAGES...	131	\$8,554M	\$15,043M	57%	-4.1%

DIVIDEND TRENDS: NO REDUCTIONS IN SEPTEMBER, A MONTH OF SMALL INCREASES

Three small increases took place in September while the other dividend payers maintained their previous quarter's levels. The hikes were led by General Growth Properties which continued its long-term record of increases with its first boost in a year. MassMutual Mortgage and Realty increased its payment for the fourth straight quarter. Federal Realty increased for the first time in over a year. After digesting the proceeds from its share offering last year, it achieved fine results from its properties, sufficient to raise payout on more shares. All payers were at least equal to the previous quarter and only MONEY Mortgage was behind a year ago when it paid 30¢ but that included a 10¢ yearend cleanup. This year, however, 16¢ of the the 23¢ dividend came from the quarter's earnings and the rest from undistributed income from fiscal 1977.

	<u>Up</u>	<u>Same</u>	<u>Down</u>	<u>Total</u>	<u>%Change</u>
Sept.	3	10	0	13	+ 1%
Year	26	87	8	121	--
-----From previous year-----					
Sept.	7	5	1	13	+10%
Year	56	54	11	121	--

Trust	Record date	Latest	Previous	--Dividend/share--	--Net Change--	Year ago	% Change
Consol. Capital Rlty	9/19	\$0.17M	\$0.17	---	NC	\$0.1684	+1
Cont'l. Ill. Prop.	10/3	0.32	0.32	---	NC	0.32	NC
Denver REIA	9/15	0.15	0.15	---	NC	0.15	NC
Federal Realty	9/26	0.32	0.31	+\$+.01	+3	0.31	+3
First Cont'l. REIT	9/30	0.22	0.22	---	NC	0.20	+10
First Fidelity Inv.	9/7	0.07	0.07	---	NC	0.00	---
First Union REI	10/14	0.25	0.25	---	NC	0.25	NC
Fraser Mortgage Inv.	10/3	0.25	0.25	---	NC	0.25	NC
General Growth Prop.	9/16	0.37	0.35	+0.02	+6	0.35	+6
MassMutual Mtg.	9/6	0.31	0.30	+0.01	+3	0.27	+15
Miller (Henry S) Rlt.	9/15	0.15	0.15	---	NC	0.00	---
MONEY Mtg. Inv.	9/30	0.23	0.23	---	NC	0.30	-23
Mortgage Growth Inv.	9/30	0.12	0.12	---	NC	0.12	NC
New Plan Realty	9/15	0.08M	0.08	---	NC	0.075	+7
Realty & Mtg. Pacif.	9/30	0.28	0.28	---	NC	0.24	+17
TOTALS (13 Trusts)b		\$3.04	\$3.00	+\$+.04	+1%	\$2.76	+10%

b- Excludes monthly and semiannual dividends. NC- No change. M- Monthly.

COMPARATIVE TRUST GROUP AVERAGE 09/19/77

GROUP	N	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
EQUITY TRUSTS	20	2076	11.56	0.83	0.99	11.96	3.1	13.5	12.1	6.9	3.5	8.6	595.7
EQUITY AND MORTGAGE COMBIN	23	1767	9.51	0.39	0.46	7.14	3.2	28.1	15.7	5.5	-24.9	4.8	288.9
SUBORDINATED LAND TRUSTS	3	2689	11.59	0.40	0.54	6.79	1.5	-7.9	12.5	5.9	-41.4	4.7	50.6
AVERAGE 3 EQUITY GROUPS	46	1961	10.53	0.58	0.69	9.21	3.0	17.4	13.3	6.3	-12.6	6.6	935.2
SHORT-TERM MTG-MTG BANKER	16	2017	8.71	0.36	0.46	5.04	1.5	4.9	11.0	7.2	-42.1	5.3	179.6
SHORT-TERM MTG-INDEPENDENT	18	3722	-0.94	0.00	0.26	1.18	-8.9	3.8	4.5	0.0	-224.5	-27.8	48.5
SHORT-TERM MTG-COMCL BANK	16	2214	1.32	0.00	0.78	2.23	6.0	12.1	2.9	0.0	69.3	59.1	69.2
SHORT-TERM-MISC FNCL	8	2381	4.75	0.02	0.10	3.17	10.1	12.5	31.7	0.6	-33.2	2.1	49.1
AVERAGE 4 SHORT-TERM GROUPS	58	2650	3.12	0.10	0.43	2.81	2.2	7.4	6.4	3.6	-10.2	14.0	346.4
INTERMEDIATE-TERM MORTGAGE	6	3389	5.66	0.39	0.63	4.95	5.3	16.9	7.9	7.9	-12.5	11.0	65.7
LONG-TERM MTG & EQUITIES	21	3030	11.53	0.53	0.54	7.94	2.8	10.6	14.6	6.7	-31.1	4.7	661.9
AVERAGE LONG & INTERMEDIATE	27	3109	10.22	0.49	0.56	7.27	3.1	11.5	13.0	6.9	-28.9	5.5	727.6
OVERALL AVERAGE	131	2503	7.19	0.35	0.55	5.97	2.9	13.7	10.8	5.9	-16.9	7.7	2009.2
DOW-JONES INDUSTRIAL AVERAGE					97.18	853.26	-1.6	-15.1	8.8	5.3			

*Latest quarter annualized

STRAIGHT BONDS

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	CHANGE	YIELD	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	CHANGE	YIELD
ATICO MTG-C#	NY	6.75	'82	16.9	61.25	1	11	INSTITNL INV-B	NY	7.88	'80	20.0	77.00	4	10
BT MTG INV-C	OC	5.75	'82	20.0	63.00	6	9	JUSTICE MTG-B	OC	7.75	'79	9.6	35.00	12	22
BARNETT MTG-C	OC	6.75	'91	17.3	23.00	15	29	LMI INVESTORS-C	NY	6.75	'82	10.0	59.00	7	11
BARNETT MTG-CD	OC	8.50	'98	30.0	31.00	63	27	MIDLAND MTG-B	NY	8.00	'80	18.5	66.88	4	12
BARNETT-WIN-CE	OC	8.25	'98	30.0	41.00	2	20	MTG INV WASH-B	OC	8.50G	'80	15.0	55.00	0	15
BAY COLONY PROP-C	NY	8.50	'81	23.0	71.00	-2	12	NJB PRIME INV-C#	OC	7.00	'80	12.9	16.00	6	43
CHASE MAN TR-A	NY	7.88	'78	50.0	94.22	0	8	NATIONWIDE RE-C	OC	7.00	'91	6.5	66.00	0	10
CHASE MAN TR-C	NY	7.50	'83	60.0	69.00	5	10	NO AMER MTG-C	NY	5.50	'79	27.8	87.63	2	6
CITIZNSO RLT-C#	OC	6.75	'78	30.0	38.00	22	17	SAUL (B.F.)-C	NY	8.50	'80	25.0	90.00	3	9
CITIZNS MTG INV-B	OC	8.50	'80	20.0	31.00	-3	27	STATE MUT INV-B	OC	9.00	'80	25.0	60.00	-2	15
COLWELL MTG-B	OC	8.20	'80	25.0	32.50	-10	25	SECURITY MTG-C#	AS	7.25	'82	50.0	83.75	2	8
CONT ILL RLT-B	NY	7.63	'79	25.0	84.13	-0	9	SECURITY MTG-C#	OC	6.00	'82	17.1	67.00	3	9
COUSINS M&E-C	NY	6.50	'82	30.0	40.13	1	16	TRI-SOUTH MTG-B	OC	7.75	'80	25.0	44.00	10	17
FIRST MTG INV-A	OC	6.75	'82	12.6	27.00	-9	25								
FIRST MTG INV-A	OC	8.25	'77	23.5	53.00	12	15								
FIRST NEWPORT-B	OC	8.75	'79	7.0	61.00	17	14								
FIRST VIRGINIA-B	OC	8-12f	'80	5.0	52.00	-5	15								
FIRST VIRGINIA M	OC	4.00	'80	15.0	50.00	-3	8								
GMR PROPERTIES-C	AS	7.70	'80	20.0	80.50	0	9								
GREAT AMER MGMT-B	OC	7.75	'79	25.0	12.00	0	VJ								
GREAT AMER MGMT-C	OC	8.75	'83	25.0	9.00	9	VJ								
GUARDIAN MTG-B	OC	7.50	'79	25.0	25.25	14	29								
GUARDIAN MTG-C#	OC	6.75	'86	8.6	18.50	15	36								
IDS REALTY-H	OC	---	---	169.8	40.00	14	NC								
DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JU SUBORDINATE. D-CONVERTIBLE AT \$39 TILL 9/1/78 WHEN PRICE MAY BE ADJUSTED. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. F-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE RATE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-E: 6-7/8, 7-1/8, 7-3/8, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.															
X-SUSPENDED BY EXCHANGE. #-MAY BE USED AT PAR TO EXERCISE WARRANTS.															

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	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
EQUITY TRUSTS													
API TRUST	O-APITS	1012	8.20	0.00	JUN	0.12 ↑ 4.00	6.7	6.7	33.3	0.0	-51.2	1.5	4.0
C I REALTY #	N-CIX	2609	16.83	0.00	MAY	0.08 7.50	9.0	62.0	93.8	0.0	-55.4	0.5	19.6
CITIZENS GRO	O-CITGS	811	8.09	0.00	JAN	0.07 ↑ 1.25	66.7	0.0	17.9	0.0	-84.5	0.9	1.0
CON ILL PROP#	N-CIE	4808	20.80	1.28 ← APR	1.20 15.25	-4.7	-7.6	12.7	8.4	-26.7	5.8	73.3	
CONSO CAP R#	O-CCPLS	1989	19.21	2.04 ← MAY	1.80 28.50 X	4.3	16.3	15.8	7.2	48.4	9.4	56.7	
DENVER REI #	O-DENVIS	1091	7.97	0.60 ← JUN	0.44 ↑ 8.88 X	3.2	31.6	20.2	6.8	11.4	5.5	9.7	
FEDERAL RLTY	A-FRT	1358	9.62	1.28 ↑ JUN	1.24 14.63	3.5	11.4	11.8	8.7	52.1	12.9	19.9	
FIRST UNION#	N-FUR	4192	8.48	1.00 ← JUL	1.36 ↓ 12.50	-1.0	3.1	9.2	8.0	47.4	16.0	52.4	
FLORIDA GLF#	O-FGLFS	975	15.34	1.28 JUL	1.40 14.25 X	6.0	26.7	10.2	9.0	-7.1	9.1	13.9	
FST FIDELTY#	O-FFITS	866	10.46	0.28 ← MAY	0.20 6.00 X	27.8	100.0	30.0	4.7	-42.6	1.9	5.2	
GENERAL GRO#	N-GGP	6202	6.34	1.48 ↑ JUN	1.44 22.75 X	0.5	2.2	15.8	6.5	258.8	22.7	141.1	
GOULD INVST#	A-GTR	1179	6.92	0.60 JUN	0.88 7.00 X	-1.4	107.1	8.0	8.6	1.2	12.7	8.3	
GREIT RLTY #	A-GRT	998	10.99	0.40 APR	0.84 6.75	-6.9	8.0	8.0	5.9	-38.6	7.6	6.7	
HUBBARD REI	N-HRE	4004	22.10	1.24 JUL	1.44 17.50 X	-1.1	11.1	12.2	7.1	-20.8	6.5	70.1	
NEW PLAN RL#	O-NPLNS	1690	2.96	0.96 ← APR	0.94 11.00 X	3.1	22.2	11.7	8.7	271.6	31.8	18.6	
PENN REIT #	A-PEI	1516	11.96	1.15 MAY	1.80 14.75	0.8	5.4	8.2	7.8	23.3	15.1	22.4	
REIT OF AMER	A-REI	1633	21.06	1.20 AUG	1.16 ↑ 15.38	0.0	-3.9	13.3	7.8	-27.0	5.5	25.1	
SUMMIT PROP#	O-SMMTS	1549	7.00	0.00 JUL	0.45 ↑ 2.75	-8.3	37.5	6.1	0.0	-60.7	6.4	4.3	
WASH REIT #	A-WRE	1516	11.61	1.76 JUN	2.96 ↑ 24.25 X	4.0	2.1	8.2	7.3	108.9	25.5	36.8	
WISC REIT #	O-WREIS	1514	5.30	0.00 JUN	0.03 ↓ 4.38	12.9	192.0	146.0	0.0	-17.4	0.6	6.6	
GROUP AVERAGE		2076	11.56	0.83		0.99 11.96	3.1	13.5	12.1	6.9	3.5	8.6	595.7
EQUITY AND MORTGAGE COMBINATION TRUSTS													
AMER REALTY	A-ARB	2222	2.66	0.00 JUN	0.00 2.50	33.0	296.8	0.0	0.0	-6.0	0.0	5.6	
BANKAM RLTY	O-BRLTS	3547	15.30	0.60 JUL	0.68 11.25 X	-5.0	12.5	16.5	5.3	-26.5	4.4	39.9	
BRT RLTY TR	A-BRT	1400	4.02	0.00 MAY	0.00 0.94	6.8	6.8	0.0	0.0	-76.6	0.0	1.3	
FLATLEY RLT	O-FLTLS	1000	6.78	0.00 MAR	0.00 3.25	3.8	8.3	0.0	0.0	-52.1	0.0	3.3	
FRANKLIN RLY	A-FR	999	7.44	0.00 MAR	0.00 5.38	7.6	65.5	0.0	0.0	-27.7	0.0	5.4	
HOTEL INVSTR#	A-HOT	1545	17.62	1.60 MAY	1.80 16.00	-3.0	26.7	8.9	10.0	-9.2	10.2	24.7	
INDIANA M&R#	O-INDMS	1154	8.91	0.00 MAR	0.20 2.88	-8.0	15.2	14.4	0.0	-67.7	2.2	3.3	
INVESTOR RL#	A-IRT	1579	10.54	0.00 MAY	0.60 8.50	4.6	88.9	14.2	0.0	-19.4	5.7	13.4	
JMB REALTY #	O-JMBRS	510	18.70	1.60 MAY	2.08 15.50	0.0	14.8	7.5	10.3	-17.1	11.1	7.9	
LINCOLN MTG*	O-LNMGS	1155	0.88	0.00 JUN	0.00 1.00	6.4	127.3	0.0	0.0	13.6	0.0	1.2	
MILLER HEN S	O-HSMTS	560	16.83	0.60 ← MAY	0.64 10.00 X	6.8	33.3	15.6	6.0	-40.6	3.8	5.6	
NJB PRIME	O-NJB	1330	-5.27	0.00 MAY	0.00 0.38	100.0	40.7	0.0	0.0	NEG.	0.0	0.5	
PLAZA REALTY	O-PNE	1114	1.80	0.00 JUN	0.00 0.75	-14.8	-25.0	0.0	0.0	-58.3	0.0	0.8	
PROP TRUST #	O-PTRAS	2506	7.50	0.20 JUN	0.25 5.63	12.6	40.8	22.5	3.6	-24.9	3.3	14.1	
RIVIERE RLY#	O-RIVI6	783	8.47	1.00 JUN	0.80 8.75	0.7	2.9	10.9	11.4	3.3	9.4	6.9	
RLTY INCOME	A-RIT	1565	12.07	1.40 JUL	0.40 ↑ 13.25 X	7.7	26.2	33.1	10.6	9.8	3.3	20.7	
SAN FRAN RE#	A-SFI	1362	20.15	0.60 JUN	0.96 13.00	0.9	18.2	13.5	4.6	-35.5	4.8	17.7	
SAUL (BF)REI	N-BFS	5845	6.06	0.00 JUN	0.00 4.38	-2.7	6.1	0.0	0.0	-27.7	0.0	25.6	
US BANCORP #	A-UBT	840	16.43	0.00 MAY	0.19 9.63	7.0	20.4	50.7	0.0	-41.4	1.2	8.1	
US REALTY #	N-UTY	3434	3.91	0.00 JUN	0.32 ↑ 3.88	0.0	47.5	12.1	0.0	-0.8	8.2	13.3	
VIRGINIA RE#	O-VARES	1251	10.18	0.40 JUN	0.44 7.75	-6.1	19.2	17.6	5.2	-23.9	4.3	9.7	
WALTER RLTY#	O-WALJS	1035	10.41	0.00 APR	0.00 5.88	-4.1	80.9	0.0	0.0	-43.5	0.0	6.1	
WELLS FAR MI	N-WFM	3911	17.36	1.08 JUN	1.12 13.75	8.9	42.8	12.3	7.9	-20.8	6.5	53.8	
GROUP AVERAGE		1767	9.51	0.39		0.46 7.14	3.2	28.1	15.7	5.5	-24.9	4.8	288.9
SUBORDINATED LAND TRUSTS													
BAY COLONY P	N-BAY	2992	6.92	0.00 MAY	0.00 2.88	15.2	-20.7	0.0	0.0	-58.4	0.0	8.6	
ICM REALTY	A-ICM	3011	14.17	0.00 MAY	0.43 6.25	6.3	-3.8	14.5	0.0	-55.9	3.0	18.8	
PROPERTY CAP	A-PCL	2065	13.67	1.20 JUL	1.20 11.25 X	-3.7	-6.2	9.4	10.7	-17.7	8.8	23.2	
GROUP AVERAGE		2689	11.59	0.40		0.54 6.79	1.5	-7.9	12.5	5.9	-41.4	4.7	50.6
SHORT-TERM MTG-MTG BANKER													
ATICO MTG INV	N-ACO	2706	6.28	0.00 JUL	0.00 2.00	6.4	-20.0	0.0	0.0	-68.2	0.0	5.4	
BAIRD &WARNR	O-BAIDS	1043	16.64	0.96 APR	0.00 7.50	-9.1	11.1	0.0	12.8	-54.9	0.0	7.8	
BARNES MTG I	O-BARNS	1910	12.33	0.00 JUN	0.00 2.50	-13.2	17.4	0.0	0.0	-79.7	0.0	4.8	
CENTRAL MTG	O-CMRTS	775	12.10	0.00 JUN	0.00 4.00	-8.7	33.3	0.0	0.0	-66.9	0.0	3.1	
COLWELL MTG	O-CLM	2030	-1.67	0.00 JUN	0.00 0.63	0.0	-66.5	0.0	0.0	NEG.	0.0	1.3	
FIRST CONTNL	O-FCRES	2106	10.27	0.88 ← AUG	0.88 ← 8.38	4.8	1.6	9.5	10.5	-18.4	8.6	17.6	
FRASER MTG I	O-FRASS	1038	16.37	1.00 ← AUG	1.00 ← 10.00	-2.4	8.1	10.0	10.0	-38.9	6.1	10.4	
HEITMAN MTG	A-HTM	3292	3.22	0.00 JUN	0.00 1.50	20.0	-14.3	0.0	0.0	-53.4	0.0	4.9	
JUSTICE MTG	O-JMI	1184	-0.55	0.00 MAR	2.63 0.69	38.0	-71.0	0.3	0.0	NEG.	-478.2	0.8	
KMC MTG IN	O-KMTGS	1100	1.89	0.00 MAY	0.00 1.25	42.0	10.6	0.0	0.0	-33.9	0.0	1.4	
LOMAS & NTLN	N-LOM	3700	27.69	1.40 JUN	1.40 17.25	-6.8	15.0	12.3	8.1	-37.7	5.1	63.8	
M&T MTG INV	O-MTMIS	1482	10.26	1.04 MAY	1.08 10.38	1.3	13.7	9.6	10.0	1.2	10.5	15.4	
MIDLAND MTG	N-MMT	2382	0.87	0.00 JUN	0.00 1.63	18.1	8.7	0.0	0.0	87.4	0.0	3.9	
NO AMER MTG	N-NAM	4403	10.08	0.00 JUN	0.00 4.38	34.8	-10.2	0.0	0.0	-56.5	0.0	19.3	
SUTRO MTG IN	N-SUT	2322	15.16	0.50 JUN	0.31 8.38	4.8	17.5	27.0	6.0	-44.7	2.0	19.5	
TMC MTG INV	O-TMG	800	-1.54	0.00 JUN	0.04 0.19	-53.7	-24.0	4.8	0.0	NEG.	-2.6	0.2	
GROUP AVERAGE		2017	8.71	0.36		0.46 5.04	1.5	4.9	11.0	7.2	-42.1	5.3	179.6

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. NEG.-NEGATIVE BOOK VALUE. VJ-IN BANKRUPTCY REORGANIZATION. ARROWS DENOTE NEW EARNINGS OR DIVIDEND REPORTS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. P-PHILADELPHIA EXCHANGE.

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)		
SHORT-TERM MTG-INDEPENDENT															
	BUILDERS INV	O-BULDS	2929	-2.46	0.00	JUN	0.69	0.81	-8.0	113.2	1.2	0.0	NEG.	-28.0	2.4
	CAPITAL MI	P-CMU	1675	0.42	0.00	JUN	0.40	1.13	0.0	-9.6	2.8	0.0	169.0	95.2	1.9
VJ	CONTNLT MTG	O-CMI	20838	-3.47	0.00	DEC	0.92	0.12	9.1	300.0	0.1	0.0	NEG.	-26.5	2.5
VJ	DOMINION M&R	O-DMRTS	639	-8.95	0.00	FEB	0.00	0.25	31.6	38.9	0.0	0.0	NEG.	0.0	0.2
VJ	FIDELITY MI	O-FID	3046	-18.23	0.00	APR	0.33	0.25	0.0	0.0	0.8	0.0	NEG.	-1.8	0.8
	FIRST MTG IN	O-FMTGS	8495	-8.00	0.00	APR	1.30	0.31	0.0	24.0	0.2	0.0	NEG.	-16.2	2.6
VJ	GRT AMER M&I	O-GAA	4456	-11.84	0.00	APR	0.00	0.14	-30.0	-54.8	0.0	0.0	NEG.	0.0	0.6
	GUARDIAN MI	O-GMI	3000	-11.48	0.00	MAY	0.31	0.44	46.7	-68.1	1.4	0.0	NEG.	-2.7	1.3
	HAMILTON INV	O-HAMTS	2095	5.43	0.00	JUN	0.00	1.50	20.0	0.0	0.0	0.0	-72.4	0.0	3.1
	INSTITUTNAL	N-INV	6074	4.68	0.00	JUL	0.00	1.50	-14.3	-20.2	0.0	0.0	-67.9	0.0	9.1
	MISSION INV	A-MIT	1812	4.85	0.00	MAY	0.00	1.38	-15.3	-15.3	0.0	0.0	-71.5	0.0	2.5
	MTG INV WASH	O-MINVS	2146	5.87	0.00	JUN	0.11	3.00	-25.0	20.0	27.3	0.0	-48.9	1.9	6.4
	NATIONAL MTG	O-NMF	2353	-0.01	0.00	NOV	0.00	0.50	-33.3	163.2	0.0	0.0	NEG.	0.0	1.2
	REPUBLIC MI	N-RMI	2107	4.88	0.00	JUN	0.00	1.75	0.0	-12.5	0.0	0.0	-64.1	0.0	3.7
	TEXAS FST MT	O-TFMRS	1055	7.81	0.00	JUN	0.00	2.38	-9.5	-4.8	0.0	0.0	-69.5	0.0	2.5
	TIERCO	O-GSR	1161	4.36	0.00	JUN	0.68	1.75	-6.9	446.9	2.6	0.0	-59.9	15.6	2.0
	UMET TRUST	N-UAT	2109	2.28	0.00	MAY	0.00	1.50	-8.0	-33.3	0.0	0.0	-34.2	0.0	3.2
	WESTERN MI	O-WMTGS	1002	6.82	0.00	MAY	0.00	2.50	-4.9	53.4	0.0	0.0	-63.3	0.0	2.5
GROUP AVERAGE		3722	-0.94	0.00			0.26	1.18	-8.9	3.8	4.5	0.0	-224.5	-27.8	48.5
SHORT-TERM MTG-COMCL BANK															
	AMER FLETCHR	A-AFM	1352	-0.49	0.00	JUL	0.00	1.00	22.0	-46.8	0.0	0.0	NEG.	0.0	1.4
	BARNETT MTG	O-BMT	2174	-8.67	0.00	JUN	0.00	0.31	0.0	-38.0	0.0	0.0	NEG.	0.0	0.7
	CAMERON-BRW	N-CB	2016	7.78	0.00	JUN	0.00	2.13	13.3	21.7	0.0	0.0	-72.6	0.0	4.3
	CHASE MAN MT	N-CMR	4886	-12.98	0.00	MAY	11.42	2.00	0.0	-36.1	0.2	0.0	NEG.	-88.0	9.8
	CITINATL DEV	O-CITI6	600	13.10	0.00	JUN	0.16	5.50	-8.3	91.0	34.4	0.0	-58.0	1.2	3.3
	CITIZENS MI	O-CZM	1421	-13.27	0.00	MAR	0.00	0.28	-6.7	-17.6	0.0	0.0	NEG.	0.0	0.4
	CITZNS&SO RL	O-CZS	3829	-6.07	0.00	MAR	0.00	0.53	-5.4	-71.8	0.0	0.0	NEG.	0.0	2.0
	CONT ILL RLY	N-CIR	2797	0.12	0.00	JUN	0.00	2.63	23.5	16.9	0.0	0.0	2091.7	0.0	7.4
	FST COMMERCE	O-FCRNS	1008	11.19	0.00	JUN	0.00	5.50	0.0	29.4	0.0	0.0	-50.8	0.0	5.5
	FST DENVR MI	O-FDENS	1621	0.76	0.00	JUN	0.00	2.50	11.1	233.3	0.0	0.0	228.9	0.0	4.1
	FST PENN MT	N-FPM	2961	5.69	0.00	APR	0.00	1.75	7.4	-36.4	0.0	0.0	-69.2	0.0	5.2
	FST WISCN MT	O-FWMTS	1910	5.76	0.00	JUN	0.00	2.25	19.7	50.0	0.0	0.0	-60.9	0.0	4.3
	INDEPEND MTG	O-IMTGS	2500	-4.01	0.00	MAR	0.00	0.48	50.0	26.3	0.0	0.0	NEG.	0.0	1.2
	MARYLAND RLY	O-MDRTS	760	8.11	0.00	MAY	0.20	3.38	4.0	58.7	16.9	0.0	-58.3	2.5	2.6
	TRI-SOUTH MI	O-TSI	2260	3.35	0.00	JUN	0.69	1.25	66.7	-9.4	1.8	0.0	-62.7	20.6	2.8
	WACHOVIA RLY	N-WRI	3335	10.74	0.00	MAY	0.00	4.25	2.9	2.9	0.0	0.0	-60.4	0.0	14.2
GROUP AVERAGE		2214	1.32	0.00			0.78	2.23	6.0	12.1	2.9	0.0	69.3	59.1	69.2
SHORT-TERM-MISC FNCL															
	AMER CENTURY	N-ACT	2607	5.60	0.00	JUN	0.00	2.25	5.6	0.0	0.0	0.0	-59.8	0.0	5.9
	BENEF STD MI	N-BSM	1355	1.04	0.00	APR	0.00	1.75	7.4	-17.8	0.0	0.0	68.3	0.0	2.4
	CI MTG GROUP	O-CI	4812	-1.00	0.00	JUL	0.00	0.50	13.6	-50.0	0.0	0.0	NEG.	0.0	2.4
	HANOVER SQ R	A-HSQ	946	10.73	0.00	MAY	0.00	5.25	5.0	5.0	0.0	0.0	-51.1	0.0	5.0
	IDS RLTY TR	N-IDR	2409	-17.91	0.00	APR	0.00	1.63	44.2	158.7	0.0	0.0	NEG.	0.0	3.9
	LMI INVSTORS	N-LWE	2009	3.39	0.00	JUN	0.64	2.25	125.0	181.3	3.5	0.0	-33.6	18.9	4.5
	MTG TRUST AM	N-MT	3860	12.06	0.00	AUG	0.00	4.50	5.9	-2.8	0.0	0.0	-62.7	0.0	17.4
	NATIONWID RE	O-NRELS	1047	24.08	0.16	JUN	0.16	7.25	-3.3	18.3	45.3	2.2	-69.9	0.7	7.6
GROUP AVERAGE		2381	4.75	0.02			0.10	3.17	10.1	12.5	31.7	0.6	-33.2	2.1	49.1
INTERMEDIATE-TERM MORTGAGES															
	BARNET-WINST	O-BWITS	1663	-1.41	0.00	JUN	0.00	0.81	28.6	113.2	0.0	0.0	NEG.	0.0	1.3
	DIVERSIFD MI	N-DMG	7327	5.68	0.00	JUN	0.17	1.50	32.7	0.0	8.8	0.0	-73.6	3.0	11.0
	FST NEWPORT	O-FNRS	2339	3.73	0.00	JUL	1.16	1.38	0.0	38.0	1.2	0.0	-63.0	31.1	3.2
	FST VIRGINIA	O-FVM	1208	1.18	0.00	MAR	0.00	0.88	17.3	120.0	0.0	0.0	-25.4	0.0	1.1
	RLTY REFUND	A-RRF	1309	18.71	2.36	JUL	2.36	22.00	1.5	12.1	9.3	10.7	17.6	12.6	28.8
	SECURITY MT	A-SMO	6487	6.07	0.00	JUN	0.06	3.13	19.0	25.2	52.2	0.0	-48.4	1.0	20.3
GROUP AVERAGE		3389	5.66	0.39			0.63	4.95	5.3	16.9	7.9	7.9	-12.5	11.0	65.7
LONG-TERM MTG & EQUITIES															
	ATLANTA NATL	O-ATNAS	1260	9.44	0.00	MAY	0.00	3.75	3.3	150.0	0.0	0.0	-60.3	0.0	4.7
	BT MTG INVR	N-BTM	2116	-2.80	0.00	JUN	0.00	2.63	50.3	5.2	0.0	0.0	NEG.	0.0	5.6
	CLEVETRST RL	O-CTRIS	2525	10.52	0.00	JUN	0.00	3.38	4.0	28.5	0.0	0.0	-67.9	0.0	8.5
	CON GEN M&R#	N-CGM	5715	19.25	1.60	JUN	1.93	21.13	0.6	9.8	10.9	7.6	9.8	10.0	120.8
	COUSINS M&EQ	N-CUZ	3854	0.63	0.00	MAY	0.00	1.50	20.0	-25.0	0.0	0.0	138.1	0.0	5.8
	EQUIT LF MTG	N-EQ	5637	23.71	2.20	JUL	2.40	26.25	0.0	-0.5	10.9	8.4	10.7	10.1	148.0
	FIDELCO GROW	A-FGI	1580	9.04	0.00	MAY	0.00	2.00	14.3	-20.0	0.0	0.0	-77.9	0.0	3.2
	FST MEMPHIS	O-FMEMS	1156	3.88	0.00	MAY	0.00	2.00	0.0	22.7	0.0	0.0	-48.5	0.0	2.3
	GMR PROPERT	N-GMR	2210	3.69	0.00	MAY	0.00	2.13	6.5	-5.3	0.0	0.0	-42.3	0.0	4.7
	HNC MTG&RLY	O-HNCMS	2388	4.19	0.00	JUL	0.09	1.13	13.0	13.0	12.6	0.0	-73.0	2.1	2.7
	HOSPITAL MTG	A-HMG	1178	22.74	0.60	MAY	0.44	9.25	-2.6	39.5	21.0	6.5	-59.3	1.9	10.9
	MASSMUT MTG	N-MML	4670	19.44	1.24	JUL	1.24	14.38	3.1	1.8	11.6	8.6	-26.0	6.4	67.2
	MONY MTG INV	N-MYM	8890	9.93	0.92	AUG	0.64	11.00	-4.3	-4.3	17.2	8.4	10.8	6.4	97.8
	MTG GROWTH I	A-MTG	2652	10.74	0.48	AUG	0.20	5.75	-4.2	4.5	28.8	8.3	-46.5	1.9	15.2
	NOWSTRN FINC	O-NFINS	1510	14.30	0.00	JUN	0.00	5.50	25.6	100.0	0.0	0.0	-61.5	0.0	8.3
	NOWSTRN MUTL	N-NML	4758	18.99	1.00	JUN	0.88	12.50	-4.8	-6.6	14.2	8.0	-34.2	4.6	59.5
	PACIFIC STHN	O-PSMTS	800	11.92	0.48	JUN	0.52	7.00	-3.4	24.3	13.5	6.9	-41.3	4.4	5.6
	PNB MTG& RL#	N-PNI	2437	18.55	0.72	JUN	1.00	10.63	0.0	14.9	10.6	6.8	-42.7	5.4	25.9
	RAM PACIFIC	O-RPACS	1890	18.05	1.12	AUG	1.28	12.75	0.0	22.8	10.0	8.8	-29.4	7.1	24.1
	STATE MUTUAL	O-SMU	2786	-1.78	0.00	JUN	0.00	2.75	10.0	99.3	0.0	0.0	NEG.	0.0	7.7
	UNITED RLTY	A-URT	3610	17.60	0.76	MAY	0.76	9.25	1.3	8.8	12.2	8.2	-47.4	4.3	33.4
GROUP AVERAGE		3030	11.53	0.53			0.54	7.94	2.8	10.6	14.6	6.7	-31.1	4.7	661.9

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG
AMER CENTURY	AS	'90	7.00	21.00	67.13	10.4	0.0
AMER CENTY'B	NY	'91	6.75	28.00	65.63	10.3	0.6
AMER REALTY	OC	'84	7.00	10.40	48.00	14.6	0.0
BAIRD&WARNER	OC	'91	6.75	21.00	63.00	10.7	-1.5
BANKAMERICA	OC	'90	6.75	21.00	82.00	8.2	-2.3
BENEF STD MI	AS	'91	6.50	27.75	57.63	11.3	7.2
CAPITAL MTG	OC	'91	6.50	33.00	42.00	15.5	-2.2
CHASE MANHTG	NY	'96	6.50	55.00	80.25	8.1	43.9
COLWELL MTG	OC	'91	6.50	29.38	26.00	25.0	-14.7
CONN GENERAL	NY	'96	6.00	32.50	80.00	7.5	0.0
CONTNTL MTG	OC	'90	6.25	19.79	13.00	VJ	44.4
EQUITBL LF M	NY	'90	6.75	26.25	96.00	7.0	0.8
FIDELITY MI	OC	'85	7.75	21.25	2.00	VJ	-83.2
FIRST PENN M	OC	'91	6.75	26.00	47.00	14.4	0.0
FIRST UNION	NY	'91	7.00	13.00	94.00	7.4	-2.0
FRANKLIN RLY	AS	'89	7.00	10.00	80.00	8.8	0.9
FST NEWPORT	OC	'91	6.75	27.50	41.00	16.5	2.5
GRT AMER MI	OC	'91	7.00	35.50	8.00	VJ	10.3
HANOVER SQ R	AS	'92	7.25	21.00	74.00	9.8	1.4
HEITMAN MTG	AS	'92	7.50	14.70	64.75	11.6	-0.1
HNC MTG	OC	'91	6.75	21.00	48.00	14.1	2.1
HOTEL INVSTR	OC	'90	7.75	21.00	79.00	9.8	-2.4
HOTEL INVTRS	OC	'91	7.50	25.25	75.00	10.0	-2.5
LINCOLN MTG	OC	'90	8.00	11.00	48.50	16.5	21.3
MASSMUTL MTG	NY	'90	6.75	21.00	83.50	8.1	0.6
MASSMUTUAL M	NY	'91	6.25	33.50	78.00	8.0	0.6
MIDLAND MTG	OC	'86	7.00	16.67	40.00	17.5	5.3
MONEY MTG IN	NY	'90	7.00	11.00	99.00	7.1	0.0
MTG INV WASH	OC	'90	8.00	15.00	55.00	14.5	0.0
NATIONAL MTG	OC	'91	7.00	12.00	7.00	100.0	-63.1
NJB PRIME	OC	'91	6.75	21.00	16.00	42.2	6.7
NOWSTRN MUTL	NY	'91	6.00	21.00	78.00	7.7	0.0
RAM PACIFIC	OC	'91	6.75	21.00	63.00	10.7	-14.8
REALTY INCOM	AS	'91	8.00	18.00	85.50	9.4	0.9
REPUBLIC MI	NY	'90	9.00	19.00	85.50	10.5	0.4
SAUL (BF) RL	OC	'91	6.50	23.00	60.00	10.8	3.0
SAUL(BF) RE	OC	'90	8.00	15.50	72.00	11.1	-0.9
STATE MUTUAL	OC	'91	6.75	21.00	50.00	13.5	19.0
SUTRO MIT	NY	'82	6.75	20.00	84.00	8.0	1.2
SUTRO MTG	AS	'91	6.75	20.00	77.00	8.8	2.0
TRI-SOUTH MI	OC	'92	7.00	29.50	29.00	24.1	20.8
US BANCORP	AS	'92	7.00	26.25	75.75	9.2	0.7
US REALTY IN	NY	'89	5.75	20.20	60.00	9.6	0.0

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our **RELATIVE APPEAL RANKINGS**. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in **RELATIVE APPEAL RANKINGS**. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "*". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in **RELATIVE APPEAL RANKINGS**.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. **Book value per share** is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

Trusts are grouped into nine categories under three major groupings to facilitate comparison. The category used for each trust is shown in **RELATIVE APPEAL RANKINGS**. **Equity and combination** groups include Equity trusts with over 80% of invested assets in direct ownership of completed income producing properties; **Equity & Mortgage combination** which balance investments between equity ownership and mortgages; and **Subordinated Land** trusts, investing primarily in ownership of land beneath income producing properties and leased to building operators.

Short-term mortgage groups invest primarily in mortgages under three years maturity, mainly construction, land development and other interim loans. They are grouped by sponsorship as follows: **Mortgage banker; Independent; Commercial bank; and Miscellaneous financial institutions.**

Intermediate & long-term mortgage groups are classed as intermediate-term for those whose predominant holdings mature in three to 10 years; and **long-term** for those with loans maturing in over 10 years, and generally with some equity investments.

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
AMER CENTURY	A-ACTW	6/78	897	23.00	1.0	0.06	2.25	924.9	20.0	0.1
ATICO MTG IN	A-AOW	12/79	563	15.00	1.0	0.25	2.00	662.5	-19.3	0.1
BARNES STD	O-BARNW	12/82	1910	20.00	1.0	0.10	2.50	704.0	-23.0	0.2
BENEF STD MT	A-BSMW	7/80	554	20.00	1.0	0.19	1.75	1053.7	-23.9	0.1
BRT RLY TR	A-BRTW	11/77	1400	10.00	1.0	0.03	0.94	967.0	50.0	0.0
CAPITAL MTG	O-CMORN	11/79	471	20.00	1.0	0.03	1.13	1672.6	0.0	0.0
FIRST UNION	O-FUREW	12/77	600	12.75	1.0	0.25	12.50	4.0	-19.3	0.2
FLATLEY RLY	O-FLTLW	5/78	1000	10.00	1.0	0.15	3.25	212.3	150.0	0.2
JMB REALTY	O-JMBRW	8/77	510	20.00	1.0	0.50	15.50	32.3	0.0	0.3
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.38	10.38	28.9	22.6	0.3
MISSION INV	A-MITW	12/77	604	16.50	1.0	0.02	1.38	1097.1	0.0	0.0
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.19	3.00	406.3	-23.9	0.2
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.08	7.25	342.5	0.0	0.1
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.19	4.38	615.1	216.7	0.1
NOWSTRN FINC	O-NPINW	1/78	1510	18.06	1.1	0.10	5.50	230.0	0.0	0.2
PNB MTG&RLTY	A-PNIW	12/77	1220	20.00	1.0	0.03	10.63	88.4	0.0	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.06	1.75	1046.3	-33.2	0.1
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.69	13.00	97.6	9.5	0.9
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.13	3.13	415.3	-58.0	0.4
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	0.69	8.38	146.9	0.0	0.5
SUTRO MTG IN	O-SUTRS	4/78	299	22.00	1.0	0.05	8.38	163.1	0.0	0.0
UNITED RLY	A-URTW	12/79	3610	20.00	1.0	0.25	9.25	118.9	0.0	0.9

*DEBENTURES USABLE IN LIEU OF CASH

CITIZENS & SOUTHERN REALTY 300,000 warrants at 80% of market price 30 days prior to 10/15/77. Priced \$3.63 bid and shares 53¢ bid. 6 3/4% debentures usable at par.

EARNINGS TRENDS: RISING SWAP GAINS PUT 25 REPORTING TRUSTS IN BLACK IN LATEST QUARTERS

Gains on exchanges of assets with lending banks continue to be the big swing factor for trusts reporting earnings in the past month. Our tally of the latest quarters, generally ending June to August, for these 25 trusts shows they earned an aggregate \$722,000, better than losses in both the previous and year-ago quarters. These 25 trusts still reported a combined operating loss of \$19.7 million but this loss is narrowed considerably from both prior periods. Aggregates for the 25 trusts, in millions of dollars:

	Latest qtr.	Prev.qtr.	Year-ago	Prev.qtr.	Yr.ago
Operating income (loss) after prov.	\$(19.7)	\$(21.0)	\$(25.7)	- 6%	- 23%
Gain on swaps, sales, restructure..	20.4	13.5	9.5	+51	+115
NET INCOME (LOSS).....	\$ 0.7	\$(7.5)	\$(16.2)	N/A	N/A

N/A-Not calculated, loss in one or both comparative periods.

Thirteen trusts were in the black (see table) but two of these did so only because they reported a total \$17.7 million gains on asset swaps, the bulk of swap and other extraordinary gains for the group. The two:

Builders Investment Group reported \$2.93/sh. swap gains, or \$8.6 million in the June quarter. BIG has booked \$11.54/sh. swap gains in its nine months to June, swapping \$48 million assets to banks. Another \$48 million assets have been swapped since June 30 but the gain is much smaller, \$3.7 million or about \$1.26/sh. BIG has now gained control of about 65% of its \$309 million assets via foreclosure and says this lets it estimate holding time more precisely; as a result the trust believes it will not have to make any new additions to its loss reserve after Sept. 30 unless real estate markets weaken.

First Newport Realty Inv. (formerly Alison) reported \$3.91/sh. swap gains in the July quarter atop \$4.89/sh. gains the previous quarter. First Newport's swaps essentially wind up its year-long debt restructuring that has turned book value from \$14.63 negative to about \$3.90/sh. positive. Operating results remain in the red, by about \$2.75/sh. in the July quarter, although portfolio progress is being made. Other swaps:

Atico Mortgage Inv. booked 15¢/sh. gains in July but not enough to overcome operating losses of 78¢/sh. Atico paid Aug. 15 interest on its debentures, contrary to our Sept. 9 report. Institutional Investors had 5¢/sh. gains over 46¢/sh. operating losses in its latest quarter.

Midland Mortgage Inv. reported 83¢/sh. swap gains in the June quarter but lost \$1.05/sh. in the period after adding \$1.29/sh. to its loss

NEW EARNINGS REPORTS

Trust-period ending	Latest qtr.-Th.\$	Latest qtr.	Prev.qtr.	Yr. ago	Prev.qtr.	Yr.ago
Quarterly results						
Amer. Fletcher MI-July..d	893	\$d0.66	\$d0.74	\$d1.02	Better	Better
Atico Mtg. Inv.-July....d1,707b		d0.63b	d0.34b	d0.13b	Worse	Worse
Builders Inv.Gr.-June... 2,010b		0.69b	d4.38b	d0.09b	Better	Better
C.I. Mtg. Group-July....d1,869		d0.39	d0.31	d0.92	Worse	Better
Cont. Ill. Prop.-July... 467		0.09	0.16	1.46a	-44%	-31%
Denver REIA-June.....d 72		d0.07	d0.09	0.12	Better	Worse
First Cont. REIT-Aug.... 465		0.22	0.22	0.20	NC	+10
First Newport RI-July... 2,711b		1.16b	3.30b	d1.74	Better	Better
First Union RE-July.... 1,089		0.21	0.24	0.21r	-13	NC
Fraser Mtg. Inv.-May.... 257		0.25	0.24	d0.04	+ 4	Better
" " -Aug.... 265		0.25	0.25	0.25	NC	NC
GREIT Realty-July..... 211		0.21	0.11	0.18	+91	+17
Inst. Inv. Tr.-July....d2,500		d0.41b	d0.36	d0.78	Worse	Better
Lincoln Mtg. Inv.-June..d 334		d0.29	d0.57	0.05a	Better	Worse
MassMutual Mtg.-July... 1,425		0.31	0.30	0.27	+ 3	+15
Midland Mtg. Inv.-June..d2,502		d1.05b	d0.12b	d2.09	Worse	Better
MONY Mtg. Inv.-Aug.... 1,422		0.16	0.24	0.20	-33	-20
Mtg. Growth Inv.-Aug.... 139		0.05	0.05	0.16a	NC	-69
Mtg. Inv. Wash.-June.... 227		0.11a	d1.16	d0.31	Better	Better
Mtg. Tr. Amer.-Aug.....d 750		d0.19	d0.17	d0.44	Worse	Better
Plaza Realty-June.....d 237		d0.21	d0.19	d0.23	Worse	Better
REIT of Amer.-Aug..... 472		0.29	0.27	0.25	+ 7	+16
Rtly.&Mtg. Pacif.-Aug... 602		0.32	0.27	0.18	+19	+68
Realty Income Tr.-July.. 152		0.10	d0.28	0.01	Better	+1000
Summit Prop.-July.....d 45		d0.03	d0.07	d0.10	Better	Better
Wisconsin REIT-June....d 26		d0.02	0.61b	d0.70	Worse	Better
Annual results						
Fraser Mtg. Inv.-May FY. 1,020		0.98	---	0.80	--	+23%
Midland Mtg.-June FY....d5,173		d2.17c	---	d4.91c	---	Better

NC-No change on share basis. Where loss reported in one or both quarters, change in direction is shown as "Better" or "Worse." r-Restated. d-Loss.

a-Per share amounts of capital gains and special items included: Cont. Ill. Prop., \$1.33/sh. on settlement of debt guarantee in year-ago qtr.; Lincoln Mtg. 58¢ capital gain in year-ago; Mtg. Growth, 10¢ gain in year-ago qtr.; and Mtg. Inv. Wash., 13¢ capital gain in latest qtr.

b-Per share amounts of gains on asset swaps or debt restructuring: Atico Mtg., 15¢ in latest qtr., 19¢ in prev. qtr., 95¢ gain on new credit agreement in year ago; Builders Inv., \$2.93 in latest, d54¢ in prev., and \$2.04 in year-ago; First Newport, \$3.91 in latest, \$4.89 in prev.; Institutional Inv., 5¢ in latest; Midland Mtg., 83¢ in latest, \$1.03 in prev.

c-Swap gains per share: Midland Mortgage, \$1.87 in FY 1977; \$2.04 in FY 1976.

reserve. Midland exchanged another \$12.4 million assets with its banks subsequent to the June 30 fiscal year-end, giving it another 59¢/sh. swap gains for the Sept. quarter. Condo sales have been strong and the trust on Aug. 15 had only 273 unsold or uncontracted units left of the 1,512 condo units it financed; however "market response to offerings of land, even at substantially reduced prices, has been almost non-existent," the trust said. But MMI must repay \$6 million to banks by Sept. 30 to extend its credit agreement by another year; MMI has reduced bank debt by \$46.3 million since June 1976 and owed banks only \$29.2 million on Aug. 15.

Mortgage Investors of Washington reported a 13¢/sh. capital gain on sale of an asset in the June quarter, putting the trust in the black after a much narrowed 2¢/sh. operating loss. MIW has reduced bank debt by \$21.7 million since March 31, 1976, raising funds by selling assets and stressing repayment of earning mortgages, and expects to cut bank debt to \$25 million by Sept. 30, when its credit agreement expires. MIW is seeking extension of remaining bank debt and \$10 million subordinated debt maturing Dec. 31, 1977 held by a life insurance company. The trust will ask shareholders and bondholders to let it operate as a non-qualified business trust, if trustees decide that's best.

GREIT Realty Trust had one of the strongest percentage gains, the July quarter up 91% from the previous quarter and 17% over 1976. Renovation work at two large shopping centers in Miami and Chicago is paying off; the trust still is receiving rent under a guarantee on a partially vacant Dayton office tower; a paper company moved but guaranteed rent until April 1, 1978. Realty & Mtg. Inv. of the Pacific also scored a good gain on a book basis by cutting operating expenses. Also, a gain was recognized when the buyer of a foreclosed Reno, Nev. property repaid a loan the trust had made to facilitate its sale; this gain was offset by a \$200,000 (or 10¢/sh.) settlement of a California usury suit.

MassMutual Mtg. & Rlty. Inv. continued its recovery, boosting earnings to 31¢/sh. in the July quarter, up 3% and 15% from the previous and year-ago quarters. MML benefitted from lower expenses and restoration of an apartment loan to earning status. The trust plans to add new investments to its portfolio. MONEY Mtg. Inv. earnings dipped to 16¢/sh., down 33% from the previous quarter's 24¢ which included 6¢/sh. non-recurring items. A decline in invested assets to \$199 million, mainly in construction/development and long-term mortgages, was largely responsible. The trust has approved \$21.7 million new short-term investments and is considering another \$28 million investments, with fundings expected to reverse the decline. The trust has signed a letter of intent to lease a 150-acre site in Yaphank, Long Island, N.Y. to a major developer for a regional shopping center after foreclosing on an \$8.4 million loan in the August quarter. Nonearning investments are 6.8% of the total, down from 10½% at May 31.

Earnings per share fell at Continental Illinois Properties and First Union RE. CIP net of 9¢/sh. in the July quarter reflected higher depreciation charges and some sluggishness in rents. First Union's share earnings of 21¢ were down 13% from the previous quarter and even with a restated year-ago figure, the decline due solely to a higher number of shares outstanding. Actual dollar earnings were even with the previous quarter and up 32% from 1976. Fraser Mtg. dollar earnings were up slightly but even on a per-share basis; the trust has several prospects for reducing its non-earning assets. Realty ReFund Trust July quarter earnings were down slightly to 59¢/sh. even though dollar earnings were up 11%; a higher number of shares outstanding was the reason, due to exercise of 259,697 warrants in June.

Among smaller equity trusts, Denver Real Estate narrowed its loss to 7¢/sh. in June as expenses of a large office complex began diminishing; the property was net leased a year ago but the trust took over management late in 1976. Depreciation was also higher. REIT of America continued its rebound from benefits of expansion of a California shopping center. Summit Properties continued to narrow its losses and Wisconsin REIT also weighed in with a narrow loss. Realty Income Trust returned to profitability after finishing a year in which it took substantial losses to offset major capital gains. Industrial National Corp. has agreed to sell a block of 20% of RIT shares to a Bermuda corporation.